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work and drudgery of butter making is taken from the kitchen, and the women are relieved from a good deal of hard labor.

Certainly what has been said here indicates a growing prosperity through the medium of a co-operative industry. In this example there should be much to encourage the farmers in different parts of the country. There is no reason why the same principle may not be applied to other features of agricultural labor and enable the workers in it to reap richer rewards than they are now doing.

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TABLES RELATING TO THE PRICE OF WHEAT AND OTHER FARM PRODUCTS SINCE 1890.

THESE tables are a continuation of a series of tables printed as Appendix III in the JOURNAL for December 1892. The sources drawn on, as well as the method followed in the computation, are the same as for the earlier series. The figures for beef, pork, and lard have been compiled by Mr. William H. Allen, the remainder by Miss Katharine B. Davis. [Editor.]

TABLE I.
PRODUCTION AND ACREAGE OF WHEAT.

(,000 omitted).

Years	Wheat crop of the world	Wheat crop of Great Britain, France, Germany, Russia, Belgium, India, Australia, Argentina	Wheat crop of the United States	Acreage in United States
	Bushels	Bushels	Bushels	Acres
1890.....	399,262	36,087
1891.....	2,364,197	952,283	611,780	39,916
1892.....	2,481,805	1,196,264	515,949	38,554
1893.....	2,562,913	1,362,504	396,131	34,629
1894.....	2,676,651	1,421,033	460,267	34,882
1895.....	2,546,494	1,286,860	467,102	34,047
1896.....	2,439,497	1,216,081	427,684	34,618
1897.....	2,214,030	1,047,989	530,149	39,465

TABLE II.—PRICES IN CHICAGO.

Year 1867-77	WHEAT "No. 2 Spring"		CORN "No. 2"		OATS "No. 2 Mixed"		BEEF "Extra Mess"		PORK "Mess"		LARD "Steam rendered"		Farm products (average for wheat, corn, oats, beef, pork, lard)
	per bu.	per ct.	per bu.	per ct.	per bu.	per ct.	per bbl.	per ct.	per bbl.	per ct.	per lb.	per ct.	
	105.2	100	49.9	100	35	100	10.658	100	16.697	100	9.92	100	
1890...	89.2	84.8	39.3	78.7	30.9	88.3	6.04	56.7	10.63	63.6	6.01	60.6	72.1
1891...	96.6	91.9	58.4	117.	39.1	111.8	6.89	64.6	9.68	58.	6.27	63.2	84.4
1892...	78.8	74.9	44.5	89.1	30.7	87.7	5.71	53.5	11.21	67.1	7.36	74.3	74.4
1893...	67.2	63.8	39.3	76.7	28.7	82.	7.36	69.0	16.77	100.4	9.91	98.8	81.7
1894...	57.0	54.2	43.2	87.1	31.6	90.3	6.46	60.6	12.75	76.5	6.92	69.7	73.0
1895...	62.2	59.1	40.2	80.5	24.4	69.9	7.17	67.3	10.49	62.8	6.20	62.5	67.0
1896...	63.9	60.7	25.9	52.	18.1	51.7	6.43	60.3	7.13	42.7	4.33	43.7	51.8
1897...	80.0	76.7	25.6	51.3	18.3	52.4	7.03	65.9	7.99	47.8	4.13	41.6	55.8

TABLE III.—PRICES IN NEW YORK.

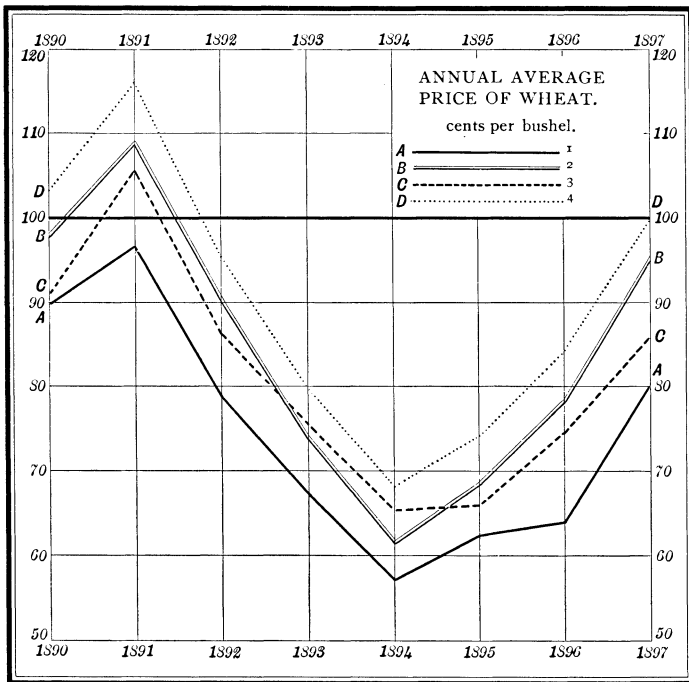
Years 1867-77	WHEAT "No. 2 Red"		CORN "No. 2 Mixed"		OATS "No. 2 Mixed"		BEEF "Extra Mess," "Old to New"		PORK "Mess"		LARD "Western Steam"		Farm products (average of wheat, corn, oats, beef, pork, lard)		BRITISH WHEAT (gazette average)		American No. 2 (In Mark Lane)
	per bu	per ct	per bu	per ct	per bu	per ct	per bbl	per ct	per bbl	per ct	per lb	per ct	per ct	per ct	per bu	per bu	
	132.5	100	73.6	100	49.78	100	10.99	100	17.33	100	10.6	100	100	100	Year	Year	
1890...	98.3 ¹	74.2 ¹	48.1	65.4	37.8	75.9	6.96	63.3	12.13	70.0	6.33	59.7	68.0	91.2	1890	91.2	103.1
1891...	109.4 ¹	82.6 ¹	70.4	95.7	46.	92.4	8.35	75.9	11.38	65.7	6.6	62.3	79.1	105.7	1891	105.7	116.1
1892...	90.8	68.5	54.	73.3	36.3	72.9	6.86	62.4	11.52	66.4	7.6	72.5	69.3	86.4	1892	86.4	95.8
1893...	73.9	55.8	49.9	67.7	35.8	71.9	8.17	74.3	18.35	105.3	10.3	97.3	78.7	1893	1893	75.2	79.9
1894...	61.1	46.1	50.9	69.1	37.2	74.7	8.86	74.2	14.13	82.5	7.7	73.1	69.9	65.2	1894	65.2	68.2
1895...	68.1	51.3	47.7	64.8	28.8	57.8	8.09	73.6	11.90	69.5	6.5	61.3	63.0	65.9	1895	65.9	74.0
1896...	78.1	58.9	34.0	46.1	23.3	48.6	7.51	68.3	8.95	51.6	4.6	44.	52.9	74.7	1896	74.7	84.2
1897...	95.4	72.	31.9	43.3	23.2	48.4	7.71	70.1	8.85	51.	4.4	41.6	54.4	86.1	1897	86.1	100.2

¹ The corresponding figures in the tables of the JOURNAL for December 1892 are inaccurate.

NOTE TO THE TABLES.

THE charted price lines of wheat in the Chicago market since 1862 seem to show a certain periodicity in the rise and fall of prices. Thus 1867, 1872, 1877, and 1882, were points at five-year intervals of unusually high prices, the points of greatest depression occurring about

CHART I.



¹ No. 2 spring, Chicago. ² No. 2 red winter, New York. ³ Gazette price of British. ⁴ No. 2 red American, London.

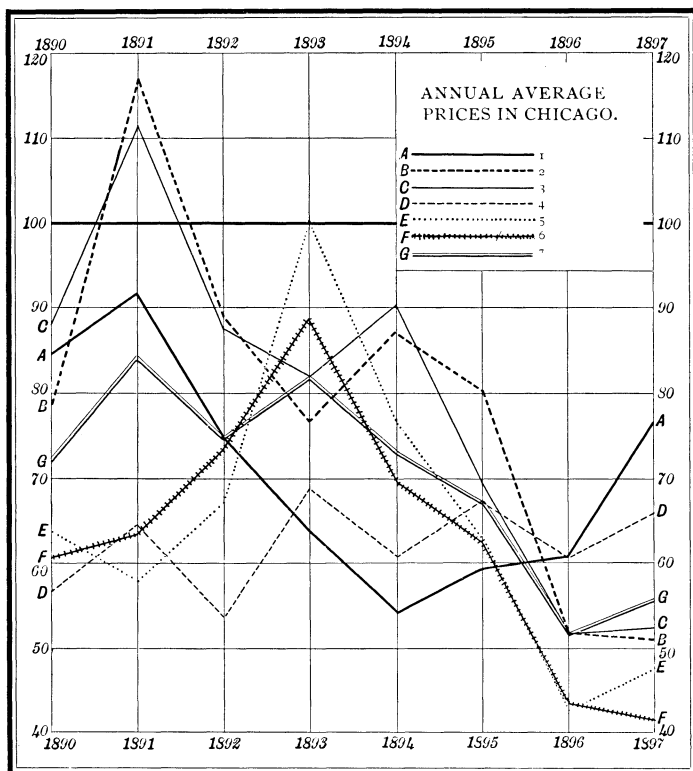
midway in each period.¹ Then comes a nine-year period, culminating in the high price of 1891 and reaching its lowest point in 1887. The next low point, in 1894, shows the lowest yearly average price of wheat since 1862. Then follows a rise up to the end of 1897, with indications that the high point is still to be reached.

The general direction of wheat prices since 1865, averaged by

¹ See "The Price of Wheat since 1867," by T. B. VEBLEN, JOURNAL OF POLITICAL ECONOMY, December 1892. See Chart I, p. 70.

five-year periods, has been steadily downward. Since 1890 there are three points of special interest in the course of prices—the high points of 1891 and 1897, and the phenomenally low point of 1894. In 1891 the wheat crops of the four great wheat importing countries of Europe,

CHART II.



Average of 1867-1877=100.

¹ No. 2 spring wheat.

² No. 2 corn.

³ No. 2 oats.

⁴ Extra mess beef.

⁵ Mess pork.

⁶ Lard.

⁷ Average.

Great Britain, Belgium, Germany, and France, were unusually small. The combined production of the four wheat exporting countries with which the United States competes, Russia, India, Australia, and Argentina, was also below the average, the total production for these eight countries being only 952 millions of bushels. At the same time the crops of rye in the five great rye consuming countries, France, Belgium, Germany, Russia, and Austria-Hungary were considerably short. The

wheat demand in these countries was, therefore, strong. Taking the world's crop as a whole, it was about at the average.¹ The unusually large crop in the United States had no appreciable effect in keeping down the price. It rose in the Chicago market from an average of 89.2 cents in 1890 to 96.6 in 1891. In the English market the rise of American wheat was even more marked, advancing from 103.1 in 1890 to 116.1 in 1891.

The fact that the wheat market is a world market, and that the crop of the United States plays a small part in it as a price determinant, is still further illustrated by the relation of production to price in the years since 1891. In 1893 our crop was smaller than it had been since 1887. The price, however, continued to fall until the end of 1894, when we reach the extreme low point in the world's production during the period 1890-1897.

In this year the crop of the United States was what, since 1880, might be called an average crop. The world's crop was possibly the largest ever known; certainly the largest for the period for which accurate statistics are available. It was one-fifth larger than the crop for 1897. The crop of the eight greatest wheat producing countries of the world, exclusive of the United States, was one-half again as large in 1894 as in 1891. Added to this, is the fact that the rye crop in France, Belgium, Russia, and Austria-Hungary, was much above the average. A complete failure of the American crop would have reduced the world crop to little less than the annual average. The result of this enormous crop was to bring the price in the world market down to a point never before reached since the United States became an exporting country on a large scale. It was a price at which the farmer claimed, undoubtedly with truth, that he could not afford to produce, and it shows itself in a reduction of the wheat area the following year of about 800,000 acres.

Again, in 1897, we have a shortage in the world's crop. The estimates recently sent out by the United States Department of Agriculture place the figures at 2214 millions. As that of 1894 was the largest, so the crop of 1897 is the smallest of which we have available data. The crop of the eight great wheat producing countries, exclusive of the United States, was somewhat larger than in 1891, while that

¹ The average annual wheat crop of the world is placed at 2300 million bushels. *United States Department of Agriculture, Division of Statistics, Miscellaneous Series, Report No. 5.*

of the United States did not reach the figures for that year. The average price for 1897 was not so high as that for 1891, but the maximum effect of the shortage was not reached by January 31, 1897; the average price for the first five months of 1898 being 111.6. With the exception of the artificial rise in September 1888, when Mr. Hutchinson made his celebrated corner in cash wheat, the price has gone to a figure in the Chicago market not reached before in years.

This relation between world production and price could not be more strikingly illustrated than by the course of prices for this period — 1890–1897. It shows, forcibly, that the wheat market is a world market, and that, enormous as is our production, it is too small an item, compared with the total, to materially affect the price. Twice in the past six years, the United States has profited by this fact. The great harvests, coinciding with a period of general scarcity, has benefited us at the expense of our European neighbors, so far as our wheat has been exported; while at home it has benefited the producer at the expense of the consumer. On the other hand, if there be any benefit to any one during a period of great depression, it was the consumer who in the United States has reaped the advantage of the low price of wheat in a world market.

The price of wheat as compared with that of other farm products, shows several points of interest in the period, 1890–1897. For about half that time, that is, during the years 1891 and 1892, and from the middle of 1896 to the end of 1897, wheat has been above the average of the six principal farm products. For the years 1893, 1894, and 1895, it was below the average in a still more marked degree. By reference to Charts II and III (pp. 73 and 82) printed in this *JOURNAL* in December 1892, and to Chart II accompanying this note, it will be seen that the average price for the six staple farm products, wheat, corn, oats, beef, and lard, fell somewhat from 1867 to 1874, rose to the greatest height in 1882, and since that time, with fluctuations, has been gradually falling. Oats is the only crop which, since 1890, with the exception of the last few months of 1897, when the average of farm products was brought up by the sharp rise of wheat, has been above the average. Corn, pork, and cattle, the alternative crop for the greater part of the country, averaged together, have, with the exception of the years 1890 and 1892, been above the average; and hence, for a considerable part of the period, they have been a more profitable crop for the farmer than wheat. As might be expected, the fluctua-

tions in price have been within the narrowest limits in the case of cattle, and it is curious to note that all through this period the price for this item has changed its direction each year, and by an almost uniform amount.

As to wheat acreage in the United States, there has been comparatively little change in the situation since the eighties. The greatest total acreage ever reached was in 1891; the lowest since 1880, in 1895. In the last two years it has again increased, being greater in 1887 than at any previous time, with the exception of 1891.

A comparison of Chart I, with chart Ia in the article above referred to, shows a striking difference in the four price lines given. Previous to 1882 there seems to be no permanent equilibrium. Thus, in 1873, American red winter wheat in London is 45 cents a bushel higher than in New York, and New York wheat is 34 cents higher than Chicago wheat of equivalent grade. In 1877 New York and London have approached to within 16 cents of each other on wheat as the same grade, while New York and Chicago differ by 22 cents, only to separate more widely the following year. Other points could be selected illustrating this lack of uniformity equally well. From 1882 to 1891 the changes from year to year in the difference of prices in the three markets is much less, and since 1891 they keep relatively almost the same position, an exception being the divergence of the New York and Chicago price lines for 1896 and 1897. The greater stability in these relations may be accounted for, at least in part, by an adjustment of transportation rates and their nearer approach to a condition of equilibrium.

As the prices quoted for British wheat are not for special grades, but for the average crop as sold by sample, an approach of the British line to the line for American wheat of a specified grade in the London market, as in 1893 and 1894, would indicate that the quality of the British crop was, on the whole, good as compared with the American, while the divergence of the lines in 1895, 1896, and 1897 would seem to show that the crops for those years were inferior.

An interesting feature in the world market for 1890-1897 has been a change in the relative importance of the Indian and South American wheats. In the eighties it seemed as though America was to find a strong competitor in Indian wheat, but the fear seems to have been unfounded, as the Indian exports are not fulfilling their promise.

The South American countries, Argentina, Chile, and Uruguay,

have, on the other hand, been occupying a stronger and stronger position in the market, and although their crops for the past two years have not been as great as those of the years just preceding, it seems likely that in them we are to find a rival of some importance for the markets of Great Britain and Belgium.

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THE NEW CURRENCY BILL.

THE direct outcome of the proposals of the Monetary Commission has appeared in the action of the House Committee on Banking and Currency in reporting favorably a bill which follows the plan of the commission in the main. The mechanism by which the United States notes are to be retired is, however, wholly new; but the end to be accomplished is the same.

(1) The present outstanding issues of United States notes known as "greenbacks" will cease to be a burden upon the Treasury for redemption in gold, so far as they are exchanged by national banks for national reserve notes.

National reserve notes are a new form of currency provided by the bill in place of the existing greenbacks. They are legal tender and are intended for circulation as currency or for use in the reserves of the banks in exactly the same manner as the existing greenbacks. National reserve notes are to be issued to any national bank to any amount not exceeding its paid-up capital, upon its surrender to the treasury of an equal amount of greenbacks.

The United States notes thus received are canceled and destroyed. The banks taking reserve notes are required to contribute to the current redemption fund held in the treasury 5 per cent. of the amount of their reserve notes in gold coin and to replenish this reserve whenever it is reduced by the redemption of the reserve notes.

The money in circulation is not reduced by any of the preceding provisions. National reserve notes take the place of the greenbacks for which they are exchanged and gold coin takes the place of greenbacks which are directly redeemed.

Existing national banks are required to take reserve notes, to the amount of 25 per cent. of their capital, but two privileges are offered